

March 9, 2018

Barry Wood  
Director Assessment Division  
Department of Local Government Finance  
Indiana Government Center North  
100 North Senate Avenue N1058(B)  
Indianapolis, IN 46204

Dear Barry,

We have completed the 2018 ratio study for Posey County. All sales we deemed valid were used, including multi-parcel sales and land sales that have since been improved. We used sales between 1/1/2017-12/31/2017 for all groupings with exception to Smith Township residential improved. We used sales between 1/1/16-12/31/2017 for Smith Township residential improved to obtain an appropriate representation of the market. When we reviewed paired sales within Smith Township we did not see that an adjustment for time was necessary so there was no time adjustment applied to the 2016 sales.

### **Residential and Ag Homesites**

We grouped all townships together for the "Vacant Residential" land study. The townships are all similar within the county in this class because they share similar economic factors. This is a rural, non-densely populated area with very minimal vacant land sales and within each township vacant land makes up 20-25% of the residential parcels. Several of our sales of vacant land have been concentrated in one particular neighborhood (50830-019). As these sell, the Developer Discount is removed since the land is transferring from the developer to a private owner. We just wanted you to be aware of why parcels in Neighborhood 50830-019 were jumping up an abnormal value. It isn't that we are chasing the sales price, but rather we are just eliminating the Developer Discount when each parcel sells from a developer to a private owner. Rates were changed as necessary.

We used the following grouping for the "Improved Residential" study: Bethel, Lynn, and Point Townships were combined for analysis. These townships were grouped together because they share similar economic factors within these areas. They are primarily rural non-densely populated areas that are mostly un-platted residential / agricultural land and there is marginal development going on throughout these townships. Geographically these townships are the west part of the county. Black, Center, Harmony, Marrs, Robb, and Robinson Township were not grouped with any other townships for the "Improved Residential" portion of the ratio study. Trending factors have been added to help bring the median ratios closer to 1.00.

### **Commercial and Industrial**

We grouped the Commercial and Industrial properties within each township together when developing trend factors, since the construction types and sizes of these properties are very similar. We have adjusted building factors within Commercial neighborhoods that bring us closer to a market value. There are very few Commercial and Industrial vacant land sales due to the fact that most of the land for sale in Posey County is in row crop. However, there was one valid industrial vacant land sale. With only one valid land sale, there was a lack of market information to have a separate commercial and/or industrial vacant study of its own. For this reason we did group the Commercial/Industrial Improved and vacant sales into one study group.

### **Large Change Area**

When reviewing our value change by Townships we identified (7) area that we felt needed addressed.

1. Bethel Township Residential Vacant changed approximately 23%. This is due to the following parcels:
  - a. 65-02-34-200-001.000-020 changed 10200 -Changed From Agricultural To Residential
  - b. 65-03-13-200-003.000-020 changed 8200 -Removed All Improvements During Cyclical Review
  - c. 65-03-13-200-007.001-020 changed 5200 -Removed All Improvements During Cyclical Review
  - d. 65-24-06-324-002.000-021 changed 3300 -Removed All Improvements During Cyclical Review
  - e. 65-24-06-336-010.000-021 changed 2600 -Removed All Improvements During Cyclical Review
2. Black Township Commercial Improved changed approximately -12%. This is due to the following parcels:
  - a. 65-02-06-001-111.000-017 changed 3222900 -Changed Property Class From 498 To 398 Because This Is Industrial Not Commercial.
  - b. 65-02-06-002-111.000-017 changed 2438400 -Changed Property Class From 498 To 398 Because This Is Industrial Not Commercial.
  - c. 65-12-28-200-001.000-017 changed 179300 -Was Being Assessed As A Mh Park, But # Of Mh'S Decreased To Under 3 So We Removed Mh Park Designation.
  - d. 65-16-24-300-018.900-017 changed 24800 -Changed Property Class From 498 To 398 Because This Is Industrial Not Commercial.

- e. 65-16-24-900-001.000-017 changed 4242500 -Changed Property Class From 498 To 300 Because This Is Industrial Not Commercial & Removed A Dwg That Was Used As Office.
  - f. 65-27-08-121-062.000-018 changed 14500 -Commercial Building Removed.
  - g. 65-27-08-130-102.000-018 changed 28000 -Commercial Building Removed.
  - h. 65-90-90-950-975.900-017 changed 34500 -Change 2 1Spole/S Buildings To Mobile Offices. Change 1Spole/S To Gck Building & Add Mezzanines.
  - i. 65-27-08-231-006.000-018 changed 112400 -Was Exempt, Sold, Then Became A Commercial Improved Parcel Until New Exempt Status Is Approved.
3. Black Township Industrial Vacant changed approximately 54%. This is due to the following parcels:
- a. 65-15-03-200-013.003-017 changed 5200 -Changed From Res Vacant To Industrial Vacant
  - b. 65-16-22-200-002.000-017 changed 68800 -Changed From Agricultural To Industrial
  - c. 65-16-24-900-001.000-017 changed 4242500 -Changed Property Class From 498 To 300 Because This Is Industrial Not Commercial & Removed A Dwg That Was Used As Office.
  - d. 65-27-08-246-012.000-018 changed 16900 -Prop Class From 510 To 300. Change Homesite To Primary, & Remove All Imp's.
4. Harmony Township Residential Vacant changed approximately 13%. This is due to the following parcels:
- a. 65-04-31-400-016.005-006 changed 6500 -Split
  - b. 65-25-36-340-071.000-007 changed 43000 -Dwg Was Removed & New Dwg Is Under Construction
  - c. 65-04-32-400-016.002-006 changed 17100 -New Parcel Was Created After 18/19 Split
  - d. 65-04-26-300-008.001-006 changed 24900 -Homesite Added Due To New Dwg That Is Under Construction
  - e. 65-25-36-345-005.000-007 changed 14800 -Remove Developer Discount.
5. Smith Township Commercial Vacant changed approximately 40%. This is due to the following parcels:
- a. 65-22-11-413-035.000-015 changed 5400 -Prop Class From 429 To 400. Remove All Imp's
6. Smith Township Residential Vacant changed approximately -15%. This is due to the following parcels:
- a. 65-22-11-400-015.000-015 changed 500 -Prop Class From 501 To 100 & Homesite Land To Tillable.
  - b. 65-22-11-411-014.000-015 changed 600 -Prop Class From 500 To 100 & Front Lot To Tillable.
  - c. 65-22-11-432-010.000-015 changed 43700 -Add New Dwg At 50% Complete For 18/19
  - d. 65-22-11-441-058.000-015 changed 92200 -Add New Modular Home
  - e. 65-22-12-300-014.000-015 changed 9200 -Add -30% To Res Excess For F-P Site Rating
7. Marrs Township Residential Vacant changed approximately 10%. This is due to the following parcels:
- a. 65-13-13-300-010.009-019 changed 25400 -Developer Discount Removed
  - b. 65-13-25-310-036.000-019 changed 25000 -Developer Discount Removed
  - c. 65-13-25-320-035.000-019 changed 21500 -Developer Discount Removed
  - d. 65-13-33-101-003.001-019 changed 45300 -Developer Discount Removed
  - e. 65-13-33-101-003.007-019 changed 38400 -Developer Discount Removed
  - f. 65-13-33-101-003.031-019 changed 43700 -Developer Discount Removed
  - g. 65-13-33-400-021.008-019 changed 65000 -Developer Discount Removed
  - h. 65-13-33-801-008.000-019 changed 39900 -Developer Discount Removed
  - i. 65-13-35-301-013.000-019 changed 28100 -Developer Discount Removed
  - j. 65-13-35-301-024.000-019 changed 24200 -Developer Discount Removed
  - k. 65-13-35-301-043.000-019 changed 28500 -Developer Discount Removed
  - l. 65-14-12-201-006.000-019 changed 28600 -Developer Discount Removed

## **Summary**

Overall, we saw an increase in value within Posey County. On top of the cyclical review, we did convert from using the Proval cama system to using the XSoft cama system. Due to the conversion there is minor fluctuation of value in all areas of the county. We applied factor adjustments where necessary to meet IAAO standards. Any areas that didn't have a fair representation of sales were combined with an adjoining area of similar economic factors. This fact helped us determine that we did have some movement in the marketplace. As for year four of the cyclical reassessment, we reviewed within the districts of Lynn Township, Cynthiana Town, Black Township, Bethel Township, and Griffin Town which you will see reflected in the workbook.

If you have any questions feel free to contact me.

Sincerely,

Nancy Hoehn